

AMENDED IN SENATE APRIL 30, 2003

SENATE BILL

No. 932

Introduced by Senator Bowen

February 21, 2003

An act to add Section ~~5914.5~~ 5917.5 to the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

SB 932, as amended, Bowen. Nonprofit corporations: health facilities.

Existing law requires a nonprofit corporation that operates a health facility to notify and obtain consent from the Attorney General prior to entering into an agreement or transaction to sell or otherwise dispose of its assets or to transfer control of a material amount of its assets to a for-profit corporation or various other entities.

This bill would prohibit a ~~nonprofit corporation seller of a health facility from restricting the type of medical services that may be provided by the purchaser of the health facility if the restriction impedes a patient's access to medical care~~ *the Attorney General from consenting to a health facility agreement or transaction under these provisions if the seller restricts the type or level of medical services that may be provided at the health facility.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. ~~Section 5914.5 is added to the Corporations~~
2

1 SECTION 1. Section 5917.5 is added to the Corporations
2 Code, to read:

3 5917.5. The Attorney General shall not consent to a health
4 facility agreement or transaction pursuant to Section 5914 in
5 which the seller restricts the type or level of medical services that
6 may be provided at the health facility that is the subject of the
7 agreement or transaction.

8 Code, to read:

9 ~~5914.5. Except as provided in Section 5914, the seller of a~~
10 ~~health facility shall not restrict the type of medical services that~~
11 ~~may be provided by the purchaser of the health facility if the~~
12 ~~restriction impedes a patient's access to medical care.~~

